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## The Right Message to the Right People: Developing Effective Crisis Response in Cruise Travel

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## **The Right Message to the Right People: Developing Effective Crisis Response in Cruise Travel**

### **Abstract**

#### **Purpose**

The purpose of this study was to provide insights into developing effective crisis responses within the cruise industry. Particularly, this study tested the effects of different crisis responses on individuals' safety perceptions and cruise travel intentions. This study also tested how individual characteristics; such as past cruise experience and demographic characteristics, may affect the communication outcomes.

#### **Originality/Value**

Using an interdisciplinary approach, this study applied crisis communication theories to a cruise travel context. The findings of this study can be directly applied to develop effective crisis responses for hospitality practitioners, which exemplify the essence of translational research.

#### **Relevance of the Topic**

Although cruise travel is considered as one of the safest mode of travel, traveling by sea is associated with multiple types of risks, including health outbreaks and operational incidents. Managing a tourism crisis response becomes important in this context. The current research stream in hospitality and tourism, however, has not yet fully addressed this topic. Based on a comprehensive analysis of current cruise lines' practices and relevant literature, this study tested individuals' reactions after being exposed to different crisis responses. This study also tested the effects of individual variables on the communication outcomes and explored how people process crisis communication messages.

#### **Design/Methodology or Approach**

This study was constituted of two phases. Phase I analyzed current cruise lines' crisis responses and related literature. The findings of Phase I resulted in the development of a template entitled strategic crisis response (SCR), which explicated how to construct effective tourism crisis response. Phase II conducted a between-subjects experiment and compared the SCR with current cruise lines' crisis responses regarding their effects on audiences' safety perceptions

and purchase intentions. A series of post-hoc analyses were also conducted to test the effects of individual variables on the communication outcomes.

### **Key Findings**

The findings of this study revealed that current cruise lines' responses normally don't include enough public safety information. The findings also showed that the SCR can lead to stronger safety perceptions and purchase intentions than cruise line's current response. Additionally, the results showed that individual demographic characteristics influenced the communication outcomes, where the SCR can lead to stronger purchase intentions for the target market constituted of individuals that are over 25 years old and have an annual household income of more than \$40,000.

### **Implications for Practice and Policy**

The findings of this study can directly help practitioners understand cruise tourists' considerations and produce effective and appropriate crisis responses. The findings indicate that when responding to a crisis, cruise lines should include public safety information, which provides instruction on how individuals can protect themselves during a crisis situation and/or against the risks associated with the crisis. This type of information will be especially useful for the cruise industry's target market, as they will be more likely to accept the message and maintain stronger purchase intentions even during crisis times.

## **Introduction**

In recent years, modern cruise ships have turned into "floating resorts," which offer various onboard amenities and entertainment activities. The cruise industry is becoming one of the most prosperous sectors within tourism and travel. According to the newest market report provided by the Cruise Line International Association [CLIA] (2016), the global cruise industry has generated an economic impact of nearly US\$120 billion in 2014 and has experienced a 68% increase in demands between 2005 to 2015. In spite of its increasing popularity, the growth of the cruise industry can be severely conditioned by crisis events. These crisis events range from illness outbreaks, such as the Norovirus epidemics, to major operational incidents, such as fires and engineer failures (Soulard, 2015). Although not very often, the onset of a crisis can pose

direct threats to the safety of passengers and crewmembers, as well as lead to profound impacts on the industry, such as financial and reputational damages (Soulard, 2015).

Crisis communication is an essential component in tourism crisis management (Fall, 2004), while crisis response is one of the most important elements in crisis communication (Coombs, 2014). Crisis responses can bridge the communication gap between the industry and the public during a crisis (Fall, 2004). These messages also can assist cruise lines in assuring the public, protecting the company's reputation, and restoring the tarnished image (Coombs, 2014; Fall, 2004). Current research in tourism crisis communication, however, is falling behind, and very few empirical studies can provide evidence on how to establish effective crisis communication messages for the cruise tourism sector (Liu & Pennington-Gray, 2015).

Notably, crisis communication emphasizes an audience-centered approach, which requires a match between the audience and the message (Cornelissen, 2000). Audience, as a general term, includes multiple groups of people; thus, individual characteristics can affect how audiences perceive or respond to crisis communication messages (Sellnow et al., 2009). Failing to acknowledge the importance of audience characteristics during the crisis and risk communication process may result in reverse effects and even exacerbate the situation (Sellnow et al., 2009).

In the same vein, the concept of market segmentation is essential for the cruise industry. CLIA (2015) has specified that, within the North American market, target cruise travelers are individuals over 25 years old and have an annual household income of more than US\$ 40,000. Another important market segment criteria is past cruise travel experience. Interestingly, tourism scholars have also found that past cruise experience is an important factor that influences passenger's satisfaction, attitude, and future purchase intentions (Petrick, 2004). This applies equally to a tourism crisis management context, where one market survey showed that individuals who don't have any cruise experience are more likely to be scared away by crisis events and appear to be hesitant of taking cruises during crisis times (Harris Poll, 2014).

The purpose of this study is to determine which message works the best for different audiences for tourism crisis communication. Driven by the Situational Crisis Communication Theory, this study attempts to (1) develop a template of strategic crisis response (SCR), (2)

examine the effects of individual variables on the communication outcomes, (3) explain how people process crisis communication messages, and (4) determine the optimal crisis response for different target markets.

The following research hypotheses were developed and tested in the study:

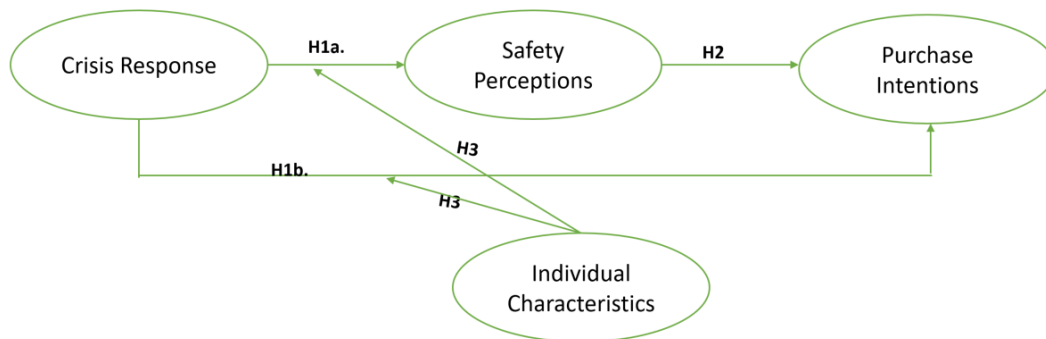
*H1: Receiving the SCR will lead to higher levels of (a) safety perceptions and (b) purchase intentions.*

*H2: Safety perceptions mediate the relationship between the message and respondents' purchase intentions.*

*H3: Individual variables (a. past cruise experience; b. market segment) moderate the relationship between the message and the communication outcomes.*

Figure 1 presents the proposed model along the research hypotheses.

**Figure 1. Proposed Conceptual Model**



## Background

Although cruise travel is considered one of the safest travel modes, travelling by sea is associated with various types of risks, such as those caused by health outbreaks and operational incidents (CLIA, 2014). Accordingly, the cruise industry has undertaken several initiatives to enhance shipboard safety, such as requiring mandatory emergency muster drills for embarking passengers (CLIA, 2014). However, the public is still concerned about shipboard safety. Several national surveys (e.g., Crimson Hexagon, 2013; Harris Poll, 2013, 2014) report

that constant occurrences of crisis events on cruise ships have resulted in public's disappointment in cruise tourism and declining intentions to purchase cruise products.

The discrepancy between the industry's crisis management efforts and the public's reaction is alarming. Gardin (2013) suggests that this is largely ascribed to the extensive media exposure and cruise lines' inability to craft effective crisis responses. The media tend to emphasize the severity and negative consequences of the problem when reporting crisis issues within the tourism industry (Liu, Pennington-Gray, & Krieger, 2016). This creates a climate of public opinion that is unfavorable to cruise tourism. Failure to provide appropriate responses from the industry's end will only worsen the situation (Coombs, 2014). Consequently, the public may possess a higher level of perceived risk toward cruise tourism, which can affect their subsequent travel-related decisions (Liu et al., 2016).

Crisis communication plays an important role in this context, as effective crisis communication can correct public's misperception, reassure the public, and protect organizations' reputational assets (Coombs, 2014). Correspondingly, a growing body of research has started studying crisis communication, testing the main effects of different crisis responses on people's perceptions and behavioral intentions (Avey et al., 2010). Specifically, it is suggested that crisis responses should be strategic in nature and match the crisis situation (Coombs, 2014). However, most existing studies assume a perspective of organizational behaviors, and very few of them have taken into account the individuals' decision-making process (Compton & Pfau, 2004). When it comes to hospitality and tourism, although a growing number of articles have started to explore crisis communication, very few of them were able to provide specific guidelines on how to develop effective crisis responses toward different segments (Liu et al., 2016).

### **Research Methodology**

Preliminary studies were conducted to examine current cruise lines' crisis response to major crisis events and analyzed the relevant literature. The findings of preliminary studies resulted in the development of a template entitled Strategic Crisis Response (SCR), which offered a sample crisis response message. A between-subjects experiment was conducted to

test the effects of the SCR and current cruise lines' response on individuals' safety perception and purchase intentions of the cruise line's products. The experiment used storm incident as the scenario. The experiment included three groups: (1) control group, who received no response, (2) industry response group, who were exposed to cruise line's current response, and (3) SCR group, who received the sample message derived from the findings of the preliminary studies. The experiment was hosted through the Qualtrics website and a research company was used to recruit the participants. All participants were US citizens who are over 18 years old.

The instrument in the experiment included the following measures: (1) to perform manipulation checks, participants were asked to indicate if the stimuli covers certain types of information and to indicate the attribution level (Adopted from Schulz et al., 2011); (2) outcome variables were assessed in terms of safety perceptions and intentions to purchase the cruise line's product (Adopted from Liu et al., 2016). All these items were measured using a 7-point Likert type scale. Individual variables were measured in terms of demographic characteristics and past cruise experiences.

## Findings and Solutions

### Results of Preliminary Studies

The preliminary studies collected 22 crisis responses released by major cruise lines from 2006 – 2016. *LexisNexis Academic* database was used to complete the search, where US newspapers and wires were included in the database. The coding scheme was developed following the SCCT and previous studies (Liu & Pennington-Gray, 2015). Consistent with previous findings (Liu & Pennington-Gray, 2015), most cruise lines used the appropriate reputation management strategy (e.g., apology, compensation), however, their responses were not fully comprehensive, as the majority did not include instructing information. In conclusion, lacking public safety information signifies the gap between theoretical recommendations and the industry's current practices.

## Results of Descriptive Analyses

After data cleaning and filtering out ineligible, a total of 258 responses were included in the subsequent analysis for the experiment. The experiment contained three groups (i.e., no response, industry response, SCR). Participants were randomly assigned to each condition and each condition contained 86 responses evenly. Table 1 presents the characteristics of the sample. Subsequent analyses were conducted to compare the demographic information between groups and no significant differences were noted. This study further divided the sample into (1) target market, which refer to people who are over 25 years old with an annual household income of more than \$40,000 and (2) non-target market. More than half (n = 145, 56.2%) of the respondents were identified as the target market.

Table 1. Sample Characteristics

Variable	N	%	Mean	SD
<b>Gender</b>				
Male	130	50.4		
Female	128	49.6		
<b>Age</b>			33.81	9.77
18 – 24	41	15.9		
25 – 29	54	20.9		
30 – 39	106	41.1		
40 – 49	35	13.6		
50 – 59	18	7.0		
Above 60	4	1.6		
<b>Annual Household Income</b>				
Less than \$25,000	60	23.3		
\$25,000 – 39,999	37	14.3		
\$40,000 – 49,999	32	12.4		
\$50,000 – 59,999	28	10.9		
\$60,000 – 74,999	41	15.9		
\$75,000 – 99,999	35	13.6		
Above \$100,000	25	9.7		
<b>Cruise Experience</b>				
Have cruised before (for leisure purposes)	165	64.0		
Have not cruised before	93	36.0		



## Results of Research Hypotheses Testing

The manipulations were successful in that respondents could identify that public safety information was included in the SCR but not in cruise line's response. To test hypothesis 1, two one-way ANOVA tests were employed. To avoid problems with alpha inflations, Bonferroni post-tests were conducted and no violations were found. The results (Table 2) indicated that there were significant group differences regarding (1) safety perceptions ( $F(2,257) = 9.845$ ,  $p < .001$ ,  $\eta_p^2 = .07$ ) and (2) purchase intentions ( $F(2, 257) = 10.59$ ,  $p < .001$ ,  $\eta_p^2 = .076$ ). Post-hoc analysis showed that the SCR group scored the highest on both variables. Therefore, H1 was supported.

Table 2. Results of ANOVA Tests

Variable	Crisis Response			F
	Control Group Mean (SD)	Industry Response Mean (SD)	Hypothesized Response Mean (SD)	
Perceived Safety	3.81 (1.58)	4.31 (1.43)	4.83 (1.47)	9.85 **
Purchase Intentions	3.87 (1.60)	4.29 (1.55)	4.94 (1.46)	10.59**

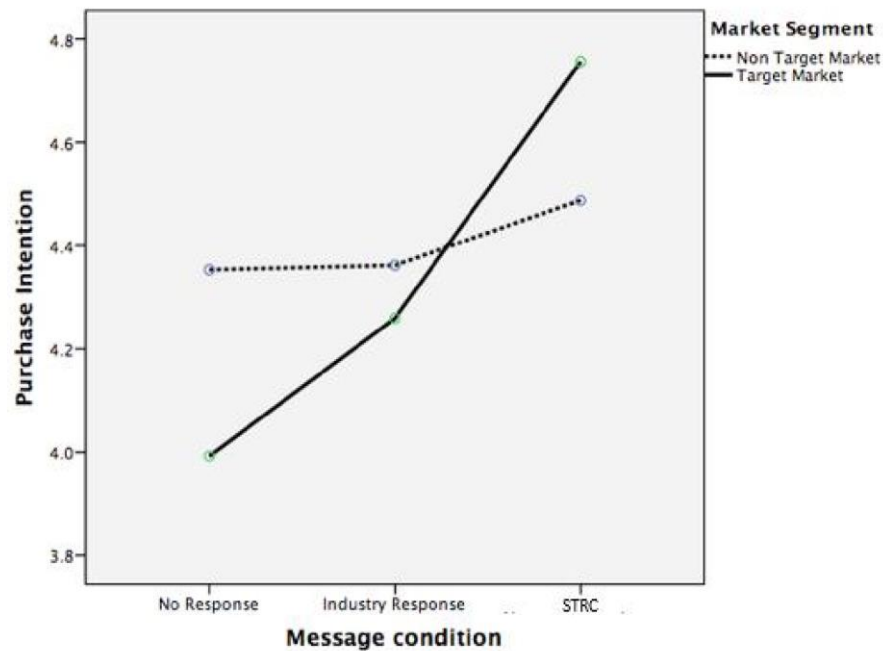
\* $p < .05$ , \*\* $p < .01$

To test hypothesis 2, a series of statistical analyses were conducted. First, safety perception was found to be positively related with purchase intention ( $\beta = .635$ ,  $p < .001$ ). The subsequent regression analysis used safety perception as the covariate, message condition as the independent variable, and purchase intention as the dependent variable. The results showed that message condition was not significantly related to the dependent variable ( $\eta^2_{\text{partial}} = .001$ ,  $p = .676$ ), but safety perception was a significant predictor ( $\eta^2_{\text{partial}} = .563$ ,  $p < .001$ ). Collectively, the findings suggested that safety perception mediated the relationship between the message and respondents' purchase intentions. H2 was supported.

To test hypothesis 3, a series of hierarchical regression analyses were used. The results showed that neither past travel experience nor demographic characteristics (i.e., age and income) moderate the relationship between the message and respondents' safety perception.

However, demographic characteristics moderated the relationship between the message and respondents' purchase intentions (Figure 2). The target market was more likely to accept the SCR and displayed stronger purchase intentions. The findings partly supported H3.

Figure 2. Visual Plot of the Interaction Effects between Market Segment and Purchase Intentions



### Implications for Practice or Policy

The major goal of this study was to help practitioners develop the right crisis communication messages to the right audience. The results of preliminary studies revealed the current gap between academic research findings and practices, where most cruise lines seldom include public safety information in their crisis responses. Also, the findings of the experiment showed that the SCR, which was developed based on practitioners' current practices and academic literature, appears to be more effective in generating stronger safety perceptions and purchase intentions among the audiences. This is particularly true for the target market, who are over 25 years old with an annual household income of more than \$40,000. The effectiveness of the SCR largely relies on the fact that the SCR can create a stronger sense of safety, which in turn can lead to stronger purchase intentions.

When translating the findings of this research into practical applications, it means that a completed and strategic tourism crisis response should include the following components: (1) safety information, which can help the public to protect themselves during a crisis situation; (2) corrective actions, which explicate how the organization actively responds to the issue; (3) affective responses, where the cruise line needs to display a sympathetic attitude toward the victims; and (4) compensation, where the cruise line need to specify what compensations they offered to the victims. Furthermore, to accelerate the service recovery process and to maximize the effectiveness of crisis communication, practitioners should try their best to deliver these messages (i.e., SCR) to their target market, who are over 25 years old with an annual household income of more than \$40,000.

### **Future Research**

Future research can replicate this study within other settings, such as natural disasters and terrorist attacks, and food safety issues. Future research can replicate this study with different markets, such as the Asian market and the European market. Future studies can also explore the mediating roles played by other variables and suggest new mediators during the crisis communication process.

## **Annex 1**

### **Theoretical Underpinnings**

The Situational Crisis Communication Theory (SCCT) guided this study. The SCCT is one of the most widely used theories in crisis communication (Avery et al., 2010). SCCT suggests that a completed crisis response should match the crisis situation and cover elements like instructing information, adjusting information and reputation management strategies (Coombs, 2007). However, most studies in this area focus on organizational behaviors, and very few of them have explored how individuals process crisis responses (Liu & Fraustino, 2014).

Within a cruise travel context, a recent study (Liu et al., 2016) found that safety perception plays an important role during the crisis communication process. Liu et al. (2016) found that safety perceptions mediate the relationship between messages and respondents' cruise travel decisions. Also, past cruise travel experience is found to be positively related with people's cruise travel intentions, both in regular times and crisis times (Liu et al., 2016; Petrick, 2004).

Collectively, this study proposed the following research hypothesis:

*H1: Receiving the SCR will lead to higher levels of (a) safety perceptions and (b) purchase intentions.*

*H2: Safety perceptions mediate the relationship between the message and respondents' purchase intentions.*

*H3: Individual variables (a. past cruise experience; b. market segment) moderate the relationship between the message and the communication outcomes.*

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